

GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service United States Department of Agriculture

NOVEMBER 19, 2002

TM GRAIN TRANSPORT	Truck	Rail	Barge	Ocea	n
COST INDICATORS				Gulf	PNW
Indicator Value * for 11/19	95	125	119	109	109
Compared to Last Week	down	unchanged	down	down	up

^{*}Indicator: Base Year 2000=100; Cost Data, Weekly Updates include Truck=Diesel, Rail=Nearby Secondary Rail Market;
Barge=Spot Illinois River Basis; Quarterly Updates for Ocean Vessel based on Routes to Japan

USDA Releases Grain Transportation Outlook. The U.S. Department of Agriculture has reported its assessment of the grain transportation situation in the United States and prospects for the next few months. USDA provides this information to help transportation providers, producers, shippers, and receivers prepare for changes that occur in agricultural transportation throughout the year.

The recent West Coast port closure has affected agricultural producers because it impedes the export of crops and time-sensitive, perishable commodities (such as fruit, vegetables, poultry, fish, and meat), which could deteriorate. The United States exports about 25 percent of its annual agricultural production and, for crops, one acre out of every three moves to export markets. West Coast ports handle half of all U.S. agricultural exports, 58 percent of containerized agricultural exports, and nearly 40 percent of wheat exports

Weather-reduced crop harvests are expected to reduce transportation demand for the 2002/03 crop year, but higher crop prices could encourage producers to sell a greater proportion of their crops earlier than they normally would in the marketing year. The geographic extent and severity of the drought will result in changes to grain and oilseed transportation patterns. Thus, many domestic users will have to purchase grain and oilseeds from nontraditional sources, and crops will be hauled longer distances.

Ocean freight rates from the Pacific Northwest to Japan show normal seasonal increases, but rates from the U.S. Gulf to Japan are rising sharply. The Panama Canal Authority increased canal tolls 8 percent on Oct. 1 and plans to increase them an additional 4.5 percent on July 1, 2003. The Panama Canal is the main artery for U.S. grain exports from the U.S. Gulf to the Pacific Rim countries such as China and Japan.

Third quarter weekly barge shipments were slightly below the five-year average and 6 percent below last year's third quarter. Third quarter barge freight rates from Minneapolis-St. Paul, Minn,, to New Orleans, La., and from St. Louis, Mo., to New Orleans, La., were 23 percent and 32 percent, respectively, below their five year averages. Despite the drought, low water conditions should not have a significant impact on navigation during October and November.

U.S. rail system capacity for grain and oilseeds is expected to be adequate this fall, mainly because of this year's decline in crop production. Grain originated, year-to-date and during the four-week period of Sept. 8 through Oct. 5, on U.S. Class I railroads decreased 3.4 percent and 10.1 percent, respectively, as compared with the same periods in 2001.

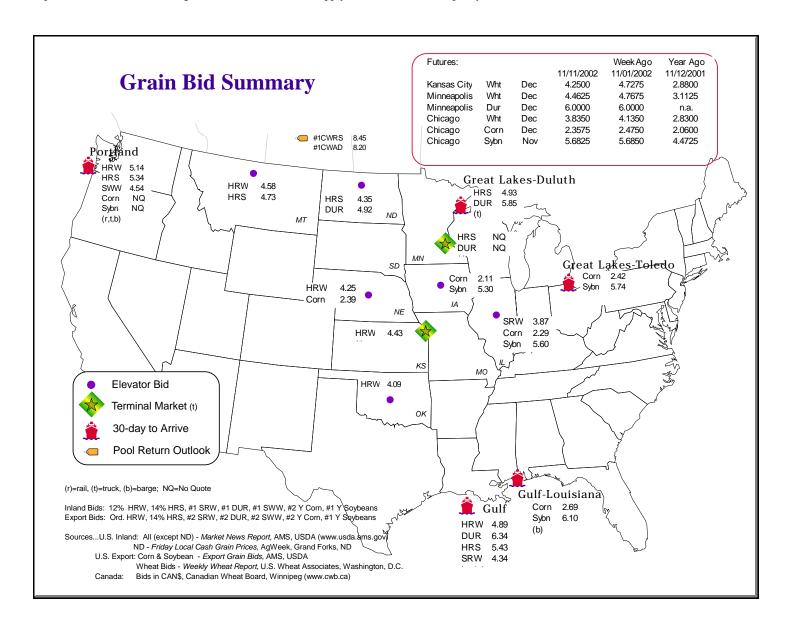
Fuel price volatility is affecting the grain trucking industry. From August 12 to Sept. 16, retail diesel fuel prices have increased 8.5 percent, rising from \$1.30 to \$1.41 per gallon.

This information, included in the report Grain Transportation Prospects, is available on the Internet at www.ams.usda.gov/tmd/mta/index.htm. For more information, contact Karla Martin, USDA AMS TMP TSB, Room 1203-S, 1400 Independence Ave. SW, Washington DC 20250, tel. (202) 690-1303, fax (202) 690-3616, or e-mail Karla.Martin@usda.gov. The next issue of Grain Transportation Prospects will be published in January 2003. (USDA Press Release, 11/12)

The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

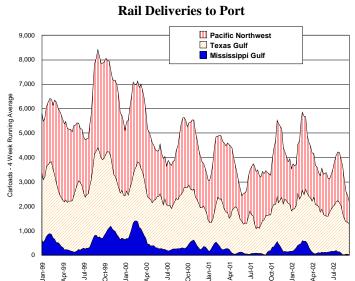
Market Update: U.S. Origins to Export Position Price Spreads Per Bushel					
Commodity	OriginDestination	This week	Last week		
Corn	IL Gulf	-0.40	-0.46		
Corn	NE Gulf	-0.30	-0.33		
Soybean	IA Gulf	-0.80	-0.68		
HRW	KS Gulf	-0.05	-0.37		
HRS	ND Portland	-0.99	-1.17		

The **Grain Bid Summary** illustrates the market relationships for corn, soybeans, and five varieties of wheat among selected origins and destinations. Positive and negative adjustments in the differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

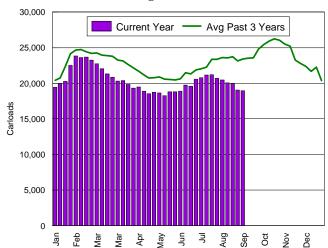


RAIL TRANSPORTATION

Rail Deliverie Carloads	es to Port				
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
10/30/02	47	988	3,749	557	5,341
11/06/02	2	938	3,648	498	5,086
YTD 2002	9,672	74,661	91,698	18,335	194,366
YTD 2001	8,980	67,888	97,905	22,466	197,239
% of Last Year	108%	110%	94%	82%	99%
Total 2001	10,022	81,804	111,376	26,604	229,806
Total 2000	25,767	104,473	128,414	14,816	273,470
Source: Transportat	ion & Marketing	g/AMS/US	DA; (*) Incom	plete Data	



Grain Car Loadings for Class I Railroads



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated and Grain Service Index

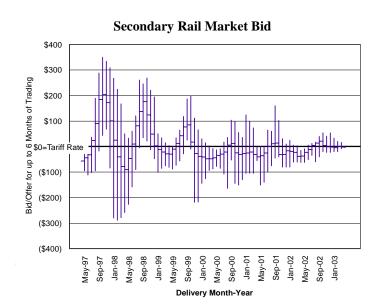
Grain Carloads Origina	ted and Ore	ann Bei vice	mucx					
	E	ast	West		West		Canada	
	CSXT	NS	BNSF	KCS	UP	U.S. Total	CN	CP
11/09/02	3,547	3,624	9,043	429	7,170	23,813	3,409	3,997
This Week Last Year	2,647	2,805	8,598	467	7,285	21,802	4,962	3,822
2002 YTD	86,865	96,812	226,923	17,443	206,231	634,274	125,579	111,248
2001 YTD	93,573	96,147	241,240	14,264	203,504	648,728	153,008	137,149
% of Last Year	93%	101%	94%	122%	101%	98%	82%	81%
2001 Total	151,864	163,018	428,603	26,330	347,156	1,116,971	254,982	232,461

Dec-01	95.5	93.1	100.9	101.0	98.0	97.5

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Secondary Rail Car Market Average Premium/Discount to Tariff, \$/Car - Last Week						
	Delivery Period					
	Aug-02	Sep-02	Oct-02	Nov-02		
BNSF-GF	\$(5)	\$0	\$(2)	\$(3)		
UP-Pool	\$(55)	\$(35)	\$(5)	\$(10)		

Railroad Car 'Auction' Results Average Premium/Discount to Tariff, \$/Car - Last Auction					
Delivery for:	Sep-02	Oct-02	Nov-02		
COT/N. Grain	no bid	no bid	no bid		
COT/S. Grain	no bid	no bid	\$0		
GCAS/Region 2	no bid	no bid	no offer		
GCAS/Region 4	no bid	no bid	no offer		
Source: Transportation & Marketing/AMS/USDA. (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)					



Tariff Rail Rates for Unit Train Shipments

November 2002

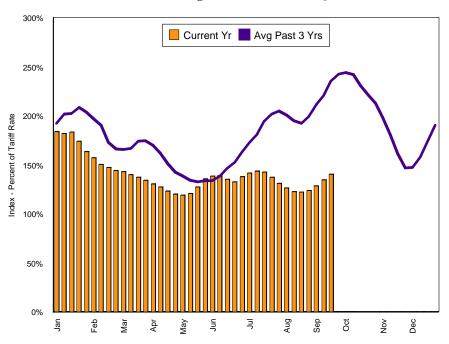
Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
11/04/02	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
11/04/02	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
11/04/02	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
11/04/02	43586	Wheat	Kansas City, MO	Portland, OR	\$4,347	\$47.92	\$1.30
11/04/02	43581	Wheat	Omaha, NE	Portland, OR	\$4,005	\$44.15	\$1.20
11/04/02	31005	Corn	Minneapolis, MN	Portland, OR	\$3,050	\$33.62	\$0.85
11/04/02	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
11/04/02	31005	Corn	Omaha, NE	Portland, OR	\$2,850	\$31.42	\$0.80
11/04/02	61110	Soybean	Minneapolis, MN	Portland, OR	\$3,030	\$33.40	\$0.91
11/04/02	61110	Soybean	Omaha, NE	Portland, OR	\$2,780	\$30.64	\$0.83

Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The Illinois River Barge
Rate Index averaged 183%
of the Benchmark Tariff
Rate between 1999 and
2001, based on weekly
market quotes. The Index,
along with Rate Quotes
and Futures Market bids
are indicators of grain
transport supply and
demand.

Calculating barge rate per ton: Index × 1976 Tariff Benchmark Rate per Ton

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate						
	11/13/02	11/6/02	Dec '02	Feb '03		
Twin Cities	303	295	nq	nq		
Mid-Mississippi	266	263	nq	nq		
Illinois River	223	217	175	178		
St. Louis	179	186	128	125		
Lower Ohio	164	177	133	127		
Cairo-Memphis	165	172	122	118		
Source: Transportation	& Marketing /AM	S/USDA; nq=	no quote			

BARGE FUTURES MARKET Southbound Barge Freight Nominal/Cash Basis Values Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

		Contract	Ra	te
Week ended	River/Region	Period	Futures	Cash
11/19/02	St. Louis	Sept	n/a	n/a
		Nov	n/a	185
		Jan	n/a	128
		Mar	n/a	128
		May	n/a	128
	Illinois River	Sept	n/a	n/a
		Nov	n/a	210
		Jan	n/a	188
		Mar	n/a	158
		May	n/a	145

Barge Benchmark Tariff Rates
Est. 1976 - Tariff No. 7'

Barge Benchmark Tariff Rates

St. Louis
3.99

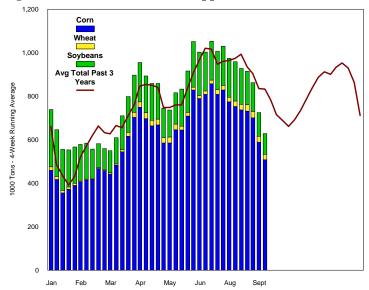
Owensboro

Memphis
4.04
3.14

Greenville
2.29

Source: St. Louis Merchants Exchange

Barge Movements on the Mississippi River (Lock 27)

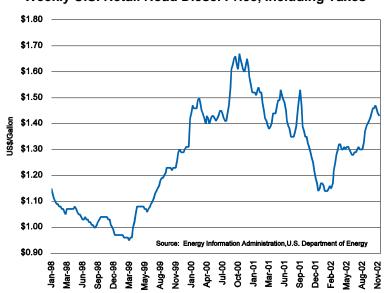


Barge Grain Movem for week ending 11/09/0				
	Corn	Wht	Sybn	Total
		1,000	Tons	
Mississippi River				
Rock Island, IL (L15)	524	14	154	695
Winfield, MO (L25)	538	16	211	769
Alton, IL (L26)	750	21	285	1,064
Granite City, IL (L27)	742	23	278	1,051
Illinois River (L8)	183	5	59	250
Ohio River (L52)	32	2	34	79
Arkansas River (L1)	0	10	6	15
2002 YTD	28,642	2,253	9,335	41,590
2001 YTD	26,631	2,338	7,712	38,331
% of Last Year	108%	96%	121%	109%
Total 2001	31,878	2,679	10,616	47,091

YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1. Source: U.S. Army Corp of Engineers.

TRUCK TRANSPORTATION

Weekly U.S. Retail Road Diesel Price, Including Taxes



The weekly **Diesel Price** provides a proxy for trends in U.S truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Crude Oil Prices US\$ per Barrel	This Week	Last Week		Average 2001*
Light Sweet Crude (NYMEX)	28.51	28.34		22.06
Brent Crude	26.76	26.26	•	22.96

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London

GRAIN EXPORTS

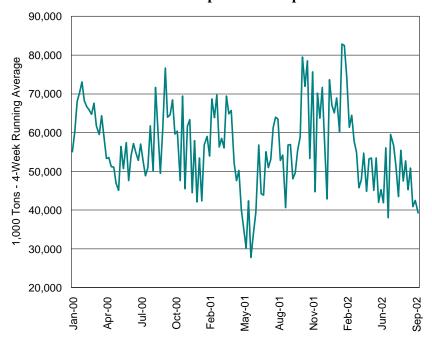
U.S. Export Balances (1,000 Metric Tons)

	Wheat					Corn	Soybean	Total	
	HRW	SRW	HRS	SWW	DUR	All			
Unshipped Export Balances									
11/07/02	1,394	728	1,625	741	183	4,670	8,162	7,480	20,312
This Week Year Ago	1,254	937	1,019	567	265	4,042	6,838	8,386	19,266
Cumulative Exports-Crop Year									
01/02 YTD	3,740	1,224	3,090	1,612	404	10,069	6,497	5,601	22,167
00/01 YTD	3,655	2,497	2,438	1,475	589	10,653	8,566	17,713	36,932
99/00 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
98/99 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942
97/98 Total	9,867	6,792	8,918	6,443	897	32,918	55,769	23,550	112,237

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons												
	Pacific Region		ion_	Mississippi Gulf		Texas Gulf		Port Region Total		<u>ıl</u>		
	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Wheat	Corn	Soybn	Pacific	Mississippi	Texas
11/14/02	151	135	159	138	533	777	105	0	8	445	1,448	113
2002 YTD	7,768	3,304	2,542	4,915	31,962	14,876	5,240	259	915	13,614	51,754	6,414
2001 YTD	8,523	4,720	2,380	5,570	30,790	13,588	5,005	257	1,382	15,623	49,949	6,644
% of Last Year	78%	55%	149%	73%	91%	83%	76%	55%	91%	77%	86%	76%
2001 Total	10,007	5,877	1,647	6,829	34,991	17,996	6,984	470	1,008	17,530	59,816	8,462
Source: Federal Grain	YTD-Yea	r-to-Date										

U.S. Grain Inspected for Export



Select Canadian Port Export Inspections 1,000 Metric Tons, Week End Summary								
11/14/02 Vancouver	Wheat 318	<u>Durum</u> 21	Barley 5					
Prince Rupert	607	49						
Prairie Direct	178	151	71					
Thunder Bay	180	119	59					
St. Lawrence	2,630	440	133					
2001/02 YTD	3,913	780	268					
2002/03 YTD	1,753	956	135					
% of Last Year	223%	82%	199%					
Source: Canadian Grains Commission, Crop Year 8/1- 7/31								

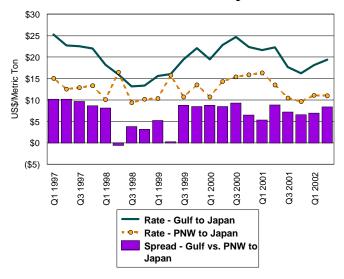
CONTAINER

Port Region Ocean Grain Vessels									
		Gulf		Pacific Northwest	Vancouver B.C.				
	<u>In Port</u>	Loaded 7-Days	Due Next 10-Days	In Port	In Port				
11/07/02	55	55	82	10	3				
11/14/02	46	53	76	8	5				
2001									
Range	(1365)	(2864)	(4681)	(118)	(420)				
2001 Avg	36	48	63	9	12				

Gulf Port Region Grain Vessel Loading Past 7 Days



Grain Vessel Rates to Japan



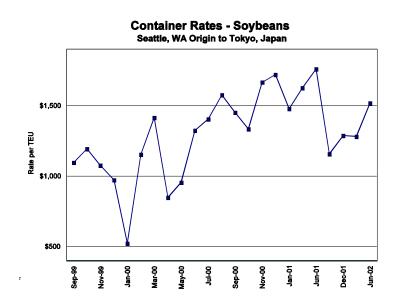
Quarterly Ocean Freight Rates Average Rates & Percentage Changes, U.S. Dollars/Metric Ton 2002 2001 % 2002 2001 $3^{rd} \, Qtr$ $3^{rd} \, Qtr$ 3rd Qtr 3rd Qtr Change Change Gulf to Pacific NW to Japan \$19.54 \$17.69 9% Japan \$11.57 \$11.46 10% Mexico \$7.14 Venezuela \$13.45 Argentina to N. Europe \$12.06 Med. Sea \$19.93 N. Africa \$31.64 \$18.21 42% Med. Sea \$11.92 \$12.05 -1% \$16.22 N. Europe \$29.40 Black Sea Japan

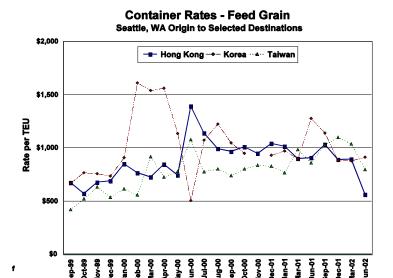
Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates for Selected Shipments - week ending 11/16/02								
Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$Ton)			
U.S. Gulf	Guayaquil op Manta, Ecuador	Wheat	Spot	4,000	\$41.00op\$45.00			
U.S. Gulf	Japan	Heavy Grain	Jan 1/15	54,000	\$24.50			

Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share Source: Transportation & Marketing/AMS/USDA





Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.